

The Value of Cooperative Membership

More Capital Credits to be Paid Out This Summer

You have probably heard about capital credits, maybe even cashed a check last year from us. But have you ever wondered just what does this check from your electric cooperative really mean?

Under the unique cooperative business model, earnings are calculated at the end of the year. Anything left over after operating costs and other expenses, is called a margin. Over a period of time, these margins are retired, or paid back, to every consumer of the electric cooperative. This is known as a patronage capital credit.

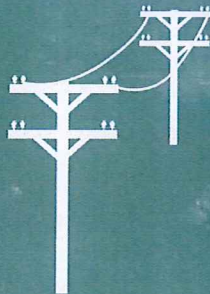
The cooperative difference

How your cooperative puts its annual earnings to use.

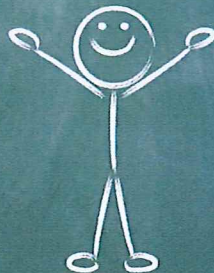
Earnings, or margins are calculated after operating costs have been paid.



Your cooperative uses this money to invest in the grid and prepare for emergencies such as natural disasters.



At the discretion of your co-op's board of directors, these margins can be paid back to consumer-members like you!



Because you are a member owner in Wayne-White Counties Electric Cooperative, you own a share of your co-op's assets. That means you own a piece of the business. Upon approval from the directors, Wayne-White returns retired margins in the form of a capital credit check. In recent years, this has occurred annually. That means every consumer - you, your neighbors and friends - receives a capital credit check based upon "when" (what year) you begin receiving electric service from the cooperative. Our commitment to returning profits back to our consumers (member-owners) is a key element of the cooperative difference, and this unique business model.

The amount allocated back to consumers is based on the amount of electricity that each consumer paid during the year(s) that are being paid out. Most co-ops, including Wayne-White Counties Electric Cooperative, hold onto allocated capital credits for a while to invest in the co-op's electric system and to cover emergencies, such as natural disasters and other unexpected events, all of which may require new construction of power lines including poles and wire. This action helps Wayne-White provide reliable service at a stable, affordable cost.

It is essential for electric cooperatives, which operate at cost, to maintain the appropriate balance between returning capital credits to consumers and retaining sufficient capital to run the company efficiently and invest when needed.

This year, Wayne-White's board of directors has approved returning **\$1,999,839 in capital credits** to you, our member/owners which is a distinct advantage of the cooperative difference. These capital credits are paid out based upon member/owners who received electricity from the cooperative anytime from **1989 through 1995**. If you came on to Wayne-White Electric power lines after 1995, you won't receive a capital credit check until we begin paying back the margins for the year in which your service began. Last year, we paid out capital credits for the service years of 1985 through 1988. The upcoming capital credit checks for the years of 1989-1995 will be mailed out to eligible members/consumers later this summer.